BOMBARDIER AEROSPACE REGIONAL AIRCRAFT

REGIONAL MARKET OUTLOOK

FAA Aviation 2000

Steve Ridolfi, President
Bombardier Aerospace Regional Aircraft

March 7, 2000

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Regional Market Outlook

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- The regional market has experienced exceptional growth.
- Innovation and new technology has and will continue spur growth opportunities for the future
- Market demand for capacity and low costs will drive the requirement for larger regional aircraft

Bombardier Is Uniquely Positioned The Be The Dominant Force In The Regional Aircraft Market

World Regional Passenger Traffic
1970 - 1999

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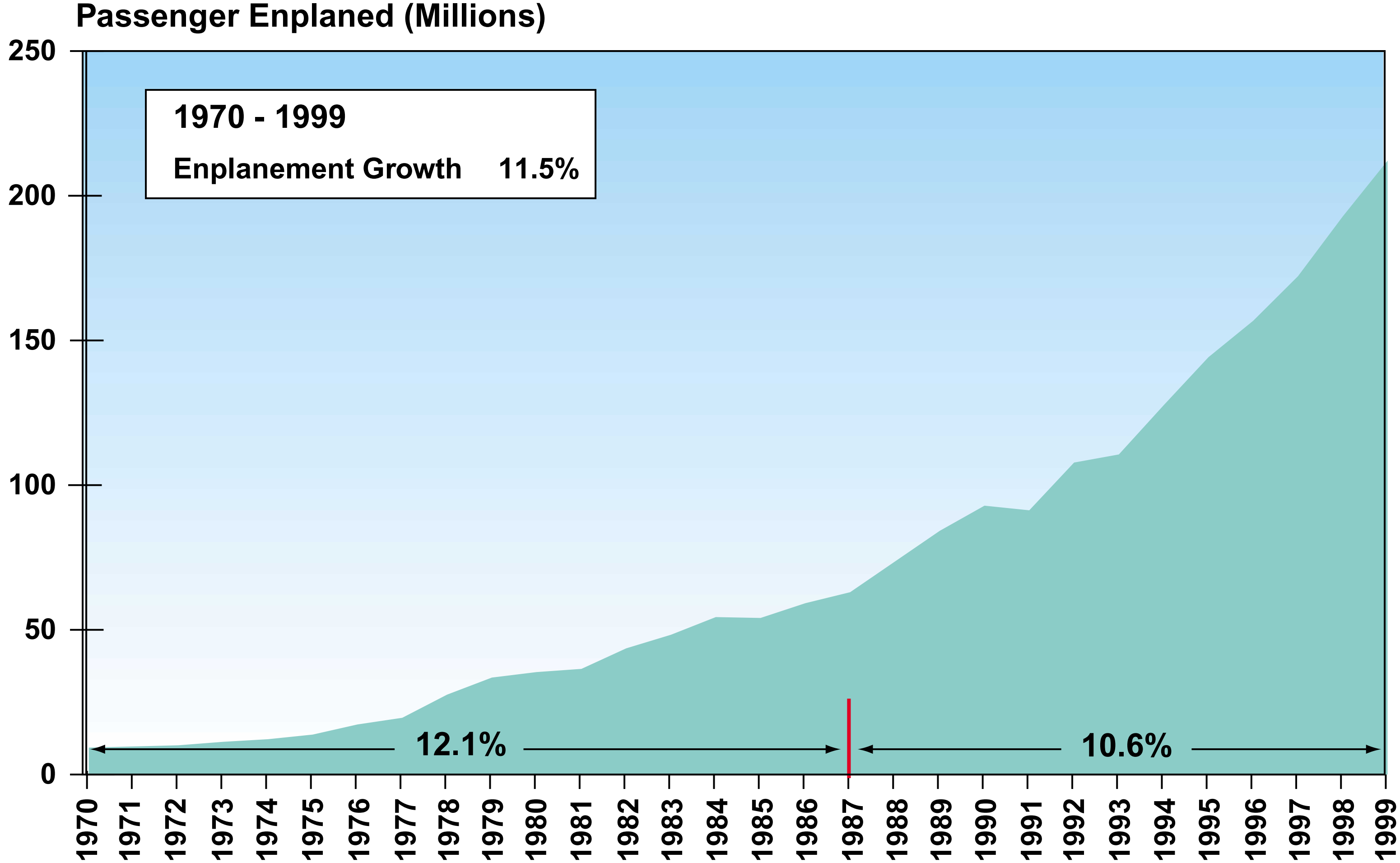

Continued Growth In Regional Traffic

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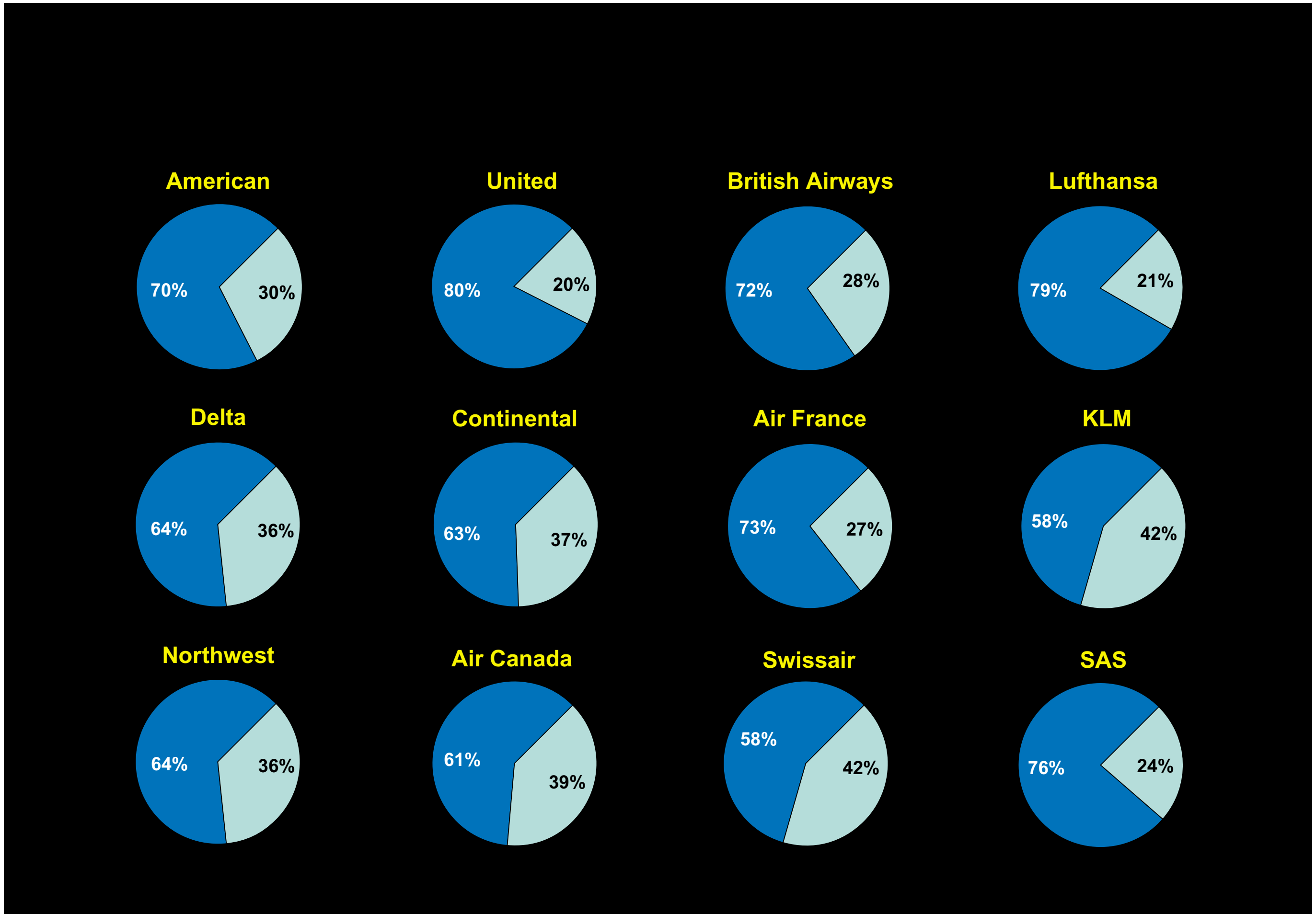
Regional Airlines

An Integral Component of the Transportation System



Regional Aircraft Account For 30% Of The Commercial Aircraft Fleet

U.S. Regional Airlines vs Majors

10-Year Enplanement Growth

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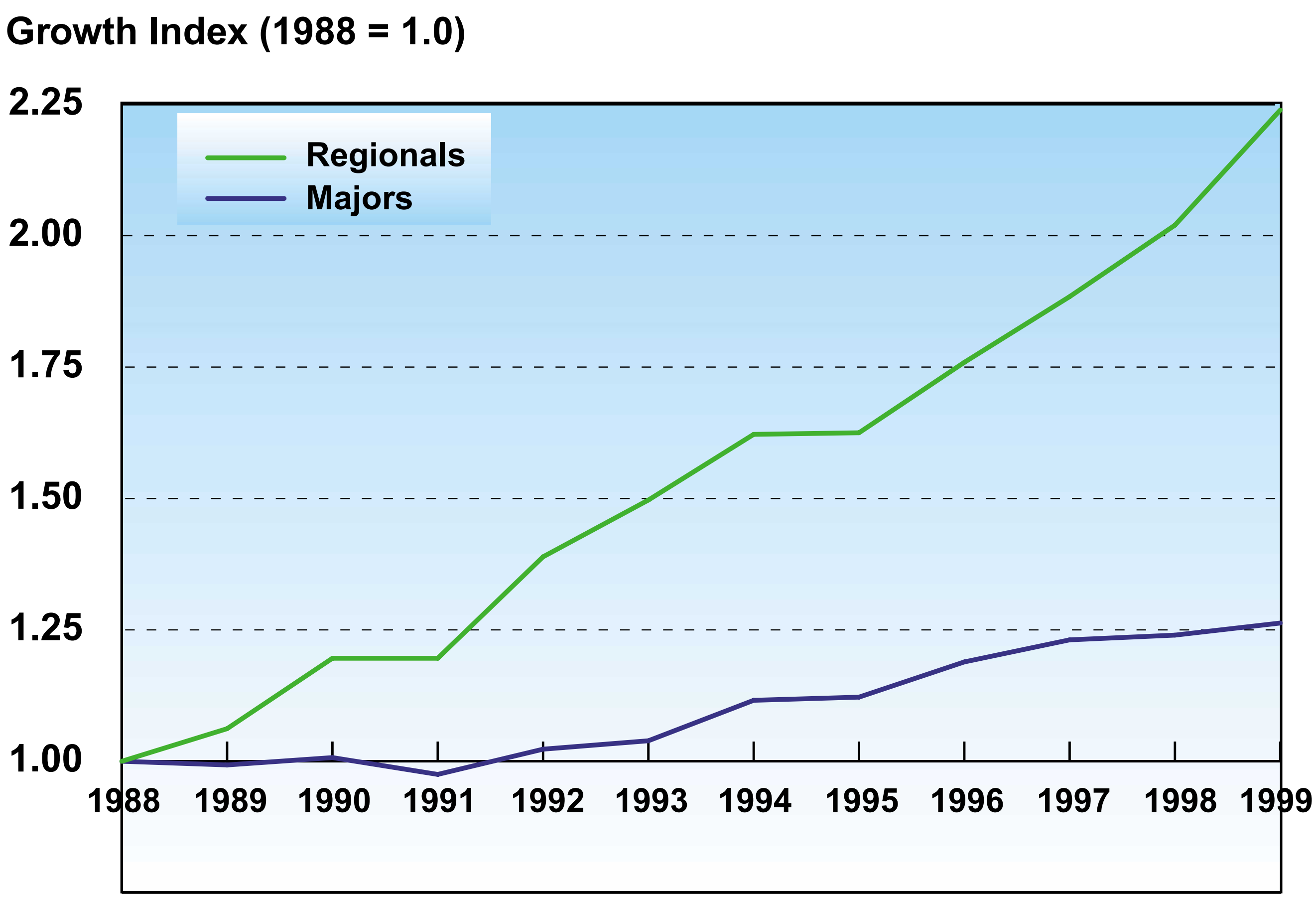

Regional Airlines: The High Growth Sector Of The U.S. Airline Industry

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Sources: RAA & DOT

U.S. Regional Airlines vs Majors
10-Year ASM Capacity Growth

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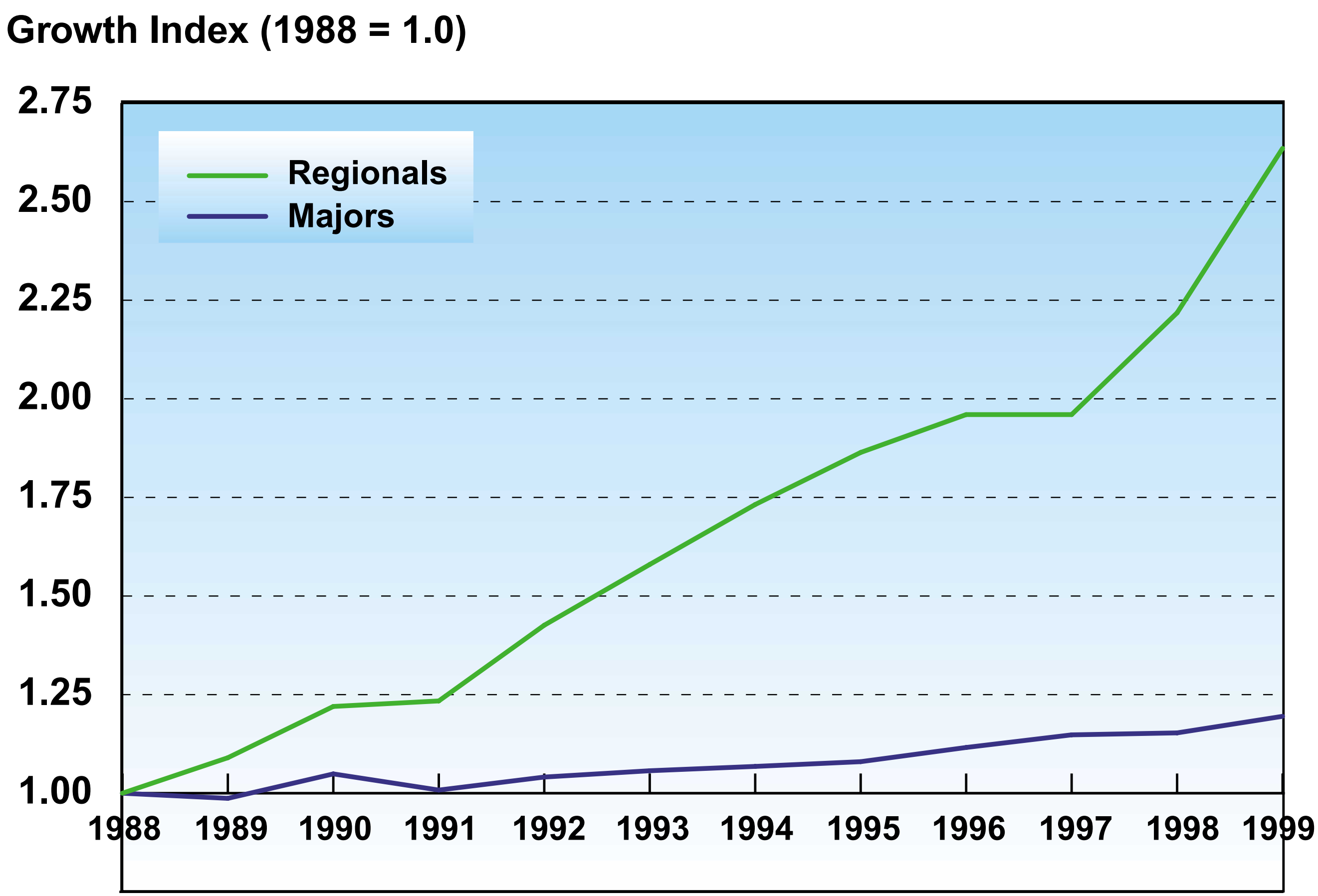

Regional Airlines: Growing Into Larger Aircraft Flying Longer Sector Lengths

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Sources: RAA & DOT

Regional Airlines are an Integral Part of the Air Transport Industry

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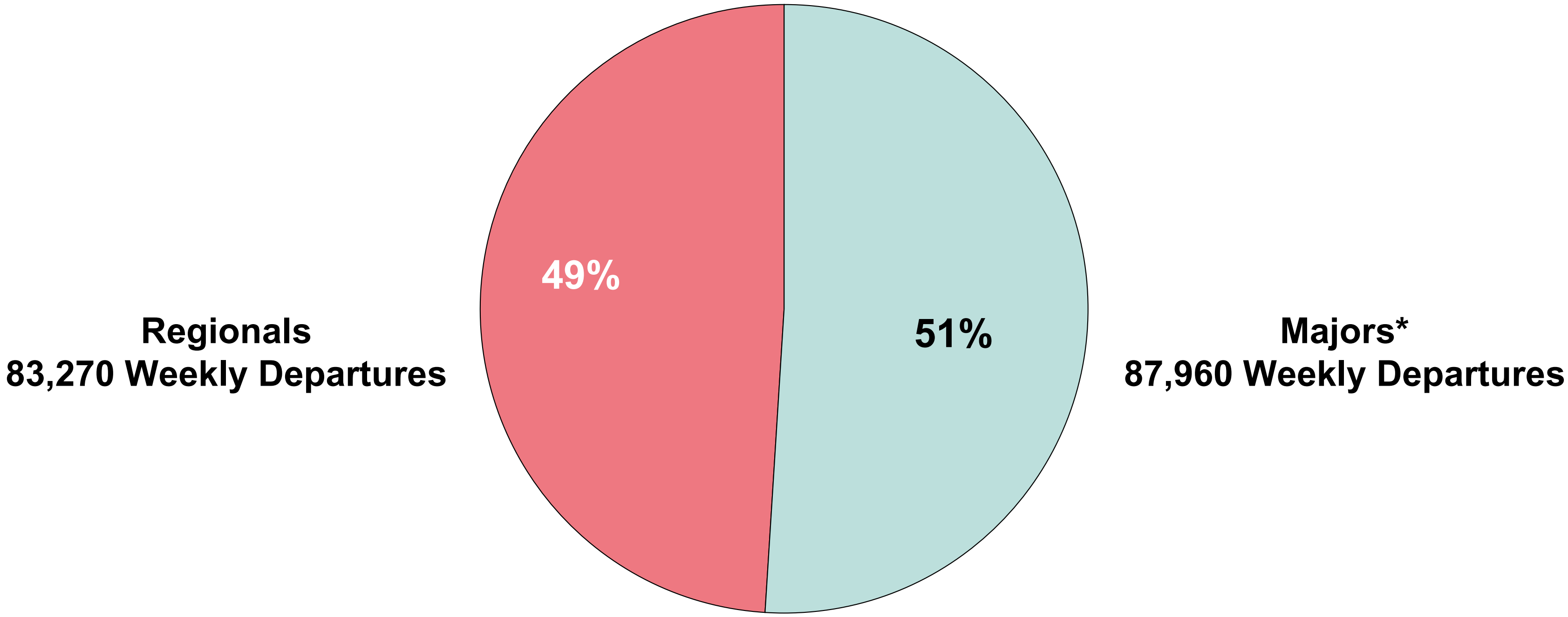
U.S. Weekly Domestic Departures - 1998



Total Weekly Departures: 171,230

* Domestic Entity, includes U.S. - Canada

Source: RAA, US DOT

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U.S. Major Regional Airline Route Transfers

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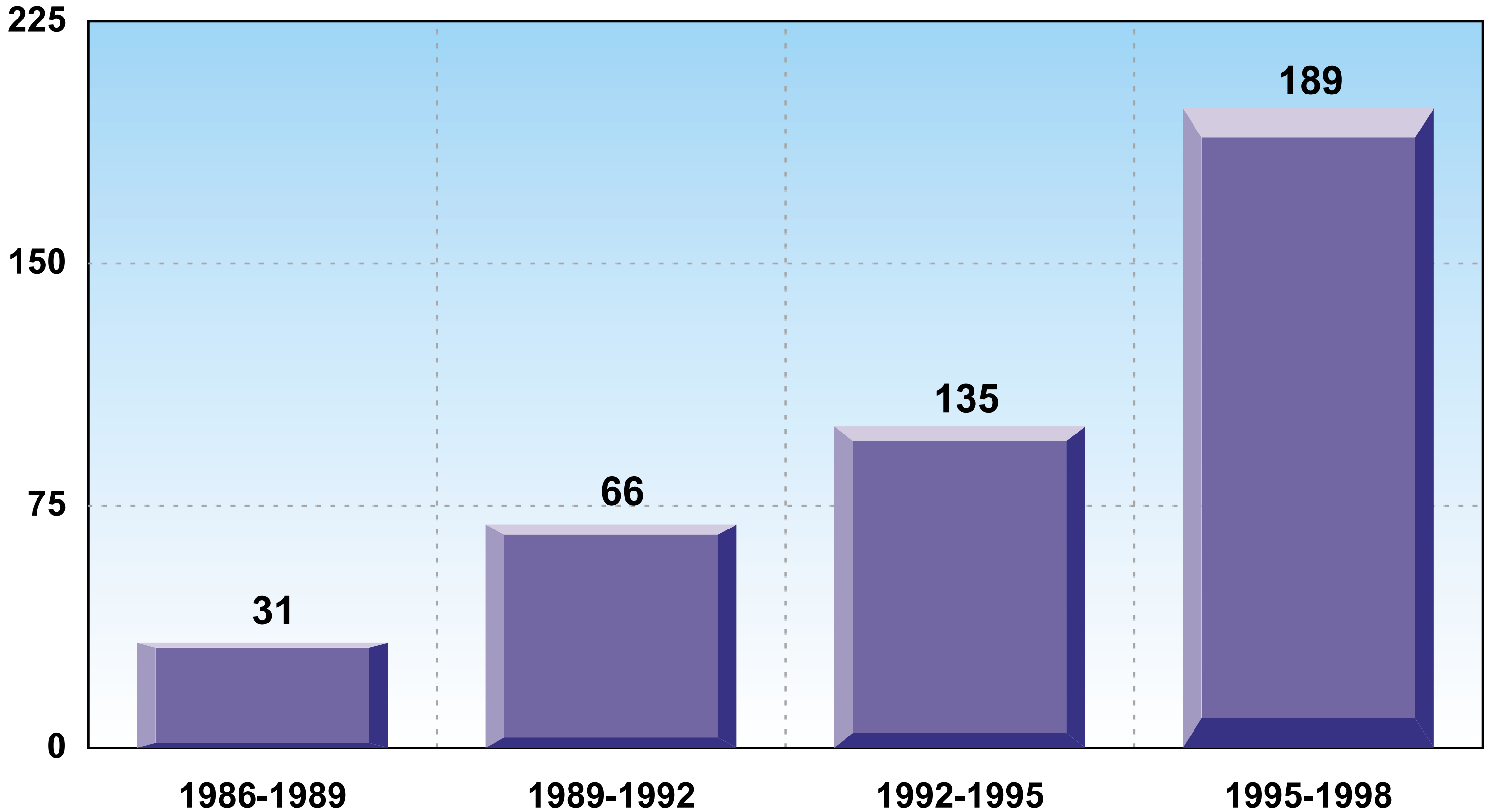

1986-1989	1989-1992	1992-1995	1995-1998
10.3 Annually	22.0 Annually	45.0 Annually	63.0 Annually

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Airline Service at North American Airports

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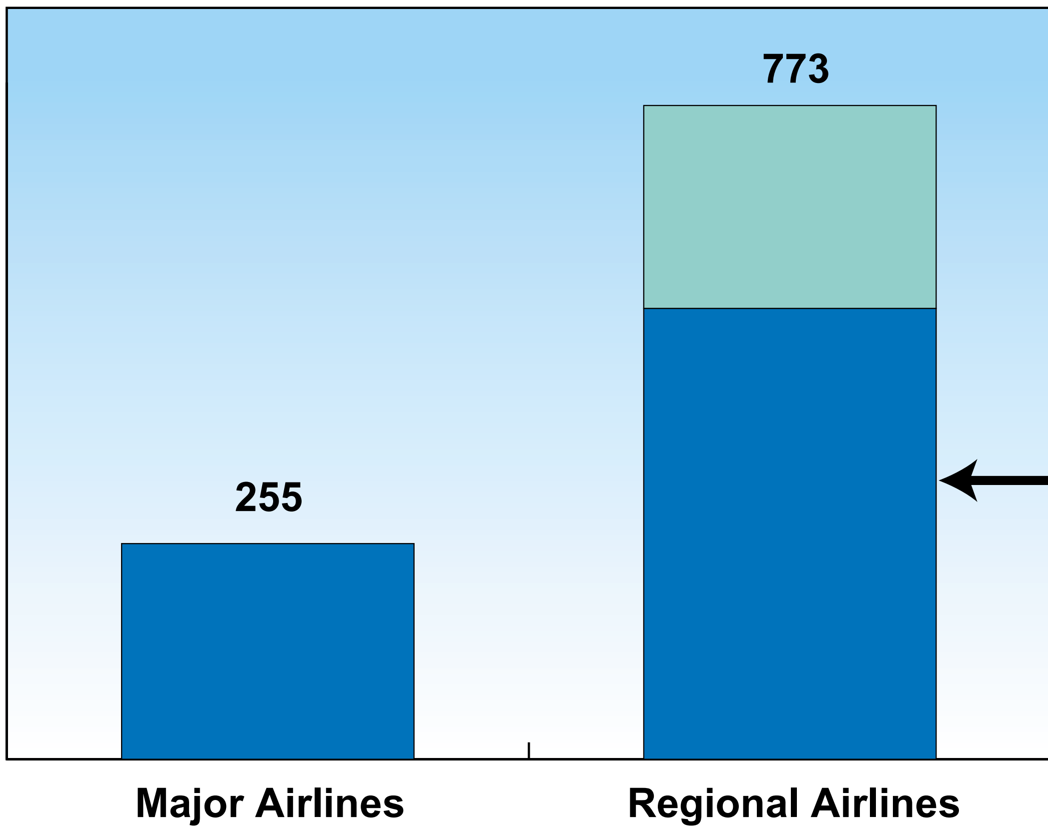
Airports Served in 1998



69% of these airports depend exclusively on Regional Airlines

Regional Airlines Are Vital To Our Airports

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Typical North American Cost Structures

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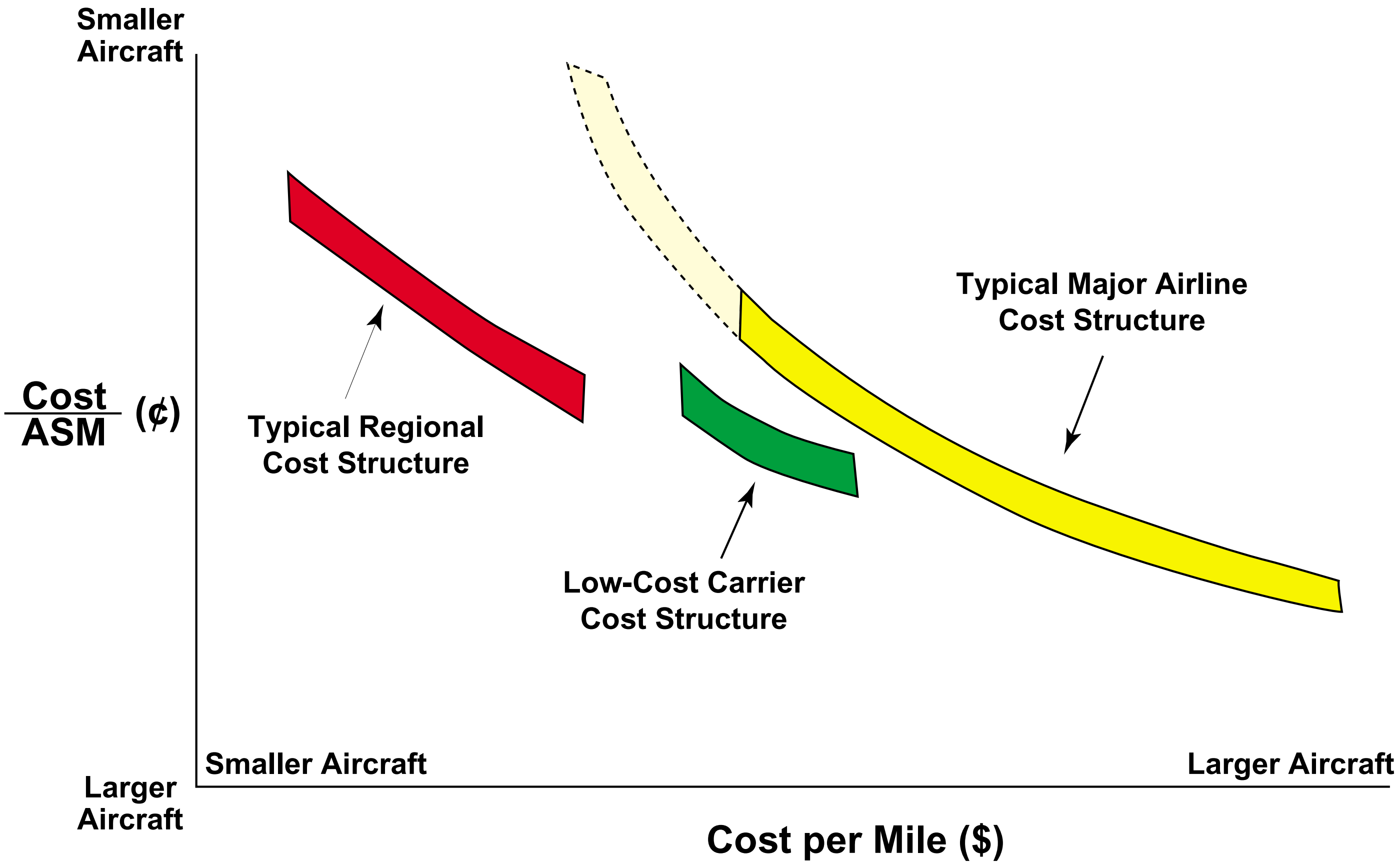

Successful Operation Of Small Units Of Capacity Is Dependent On Low Cost Structures

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Comparative Statistics for U.S. Majors and Regionals

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	Regionals	Majors*
Cost per enplanement	$80.32	$118.88
Revenue per enplanement	$93.89	$132.69
Break-even load factor	50%	63%

Regional Airlines Are The Low-Cost Producers In The Airline Industry

* 1998 Domestic Division for Majors
Source: US DOT

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Regional Aircraft Industry Backlogs

20-90 Seat Market

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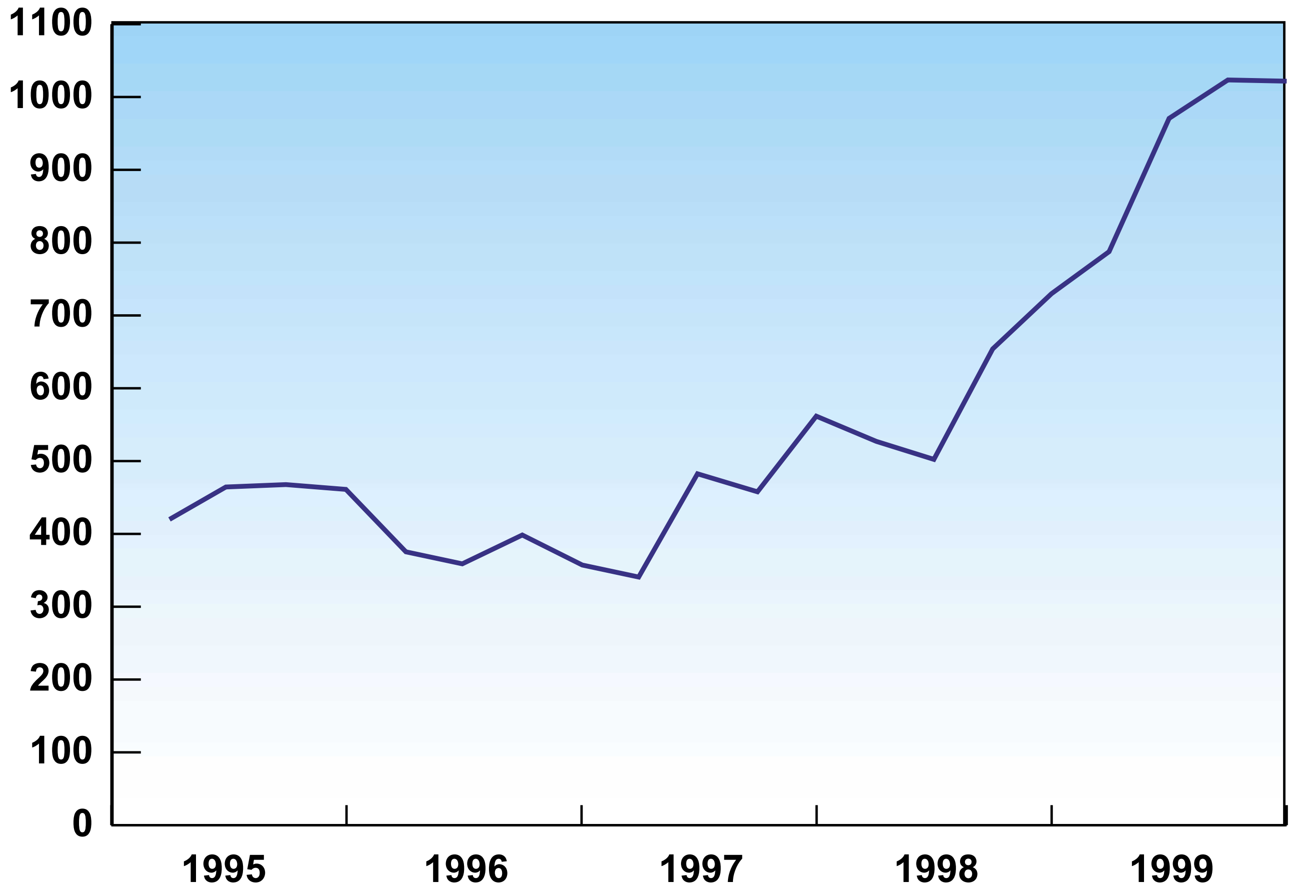

The Regional Aircraft Industry Is Strong & Healthy

Top 12 U.S. Regional Airlines

Net Income (millions)

4 Quarter Moving Average

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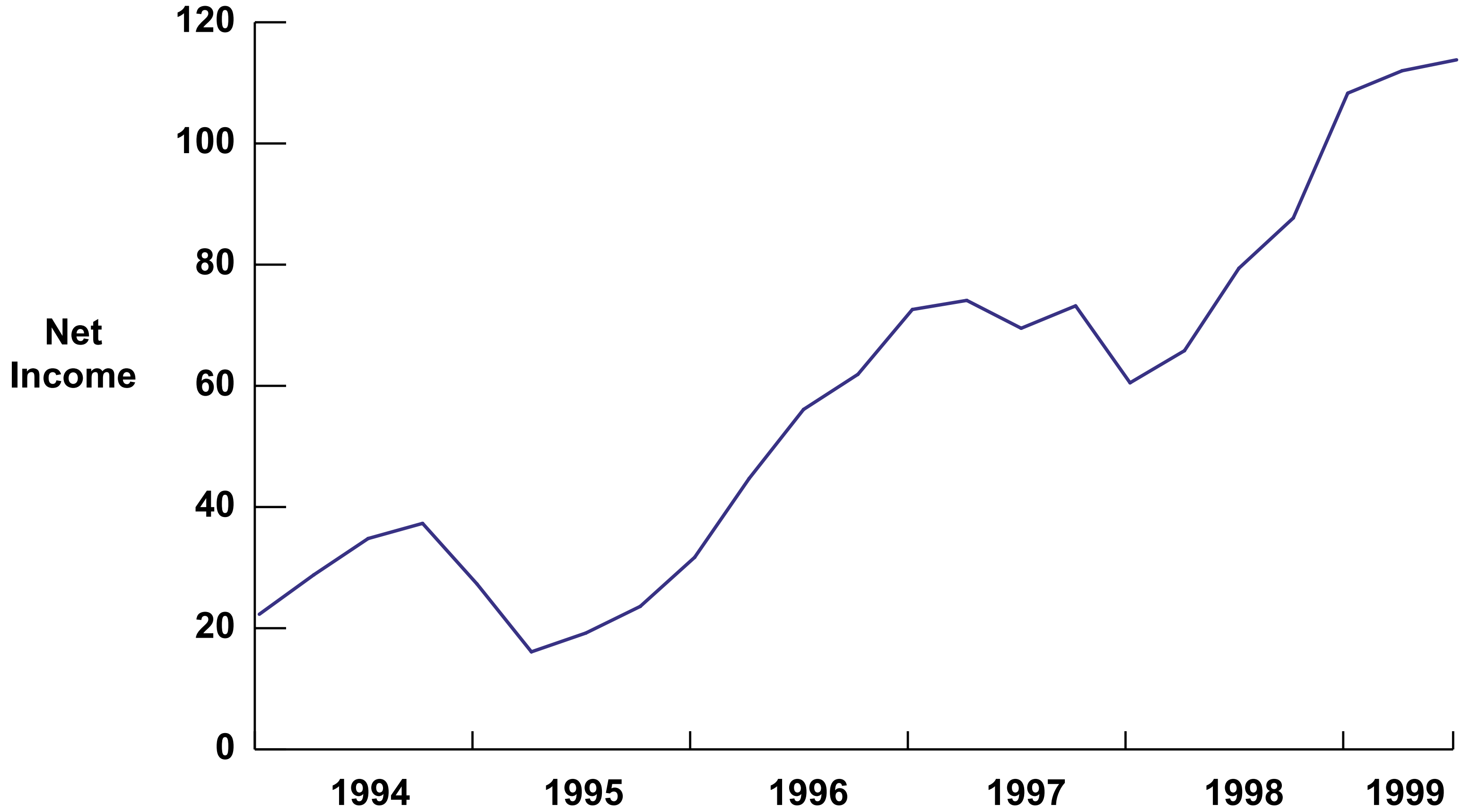

The Fortunes Of Regionals Continue To Rise

Source: US DOT & Annual Reports
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Regional Airline Operating Costs

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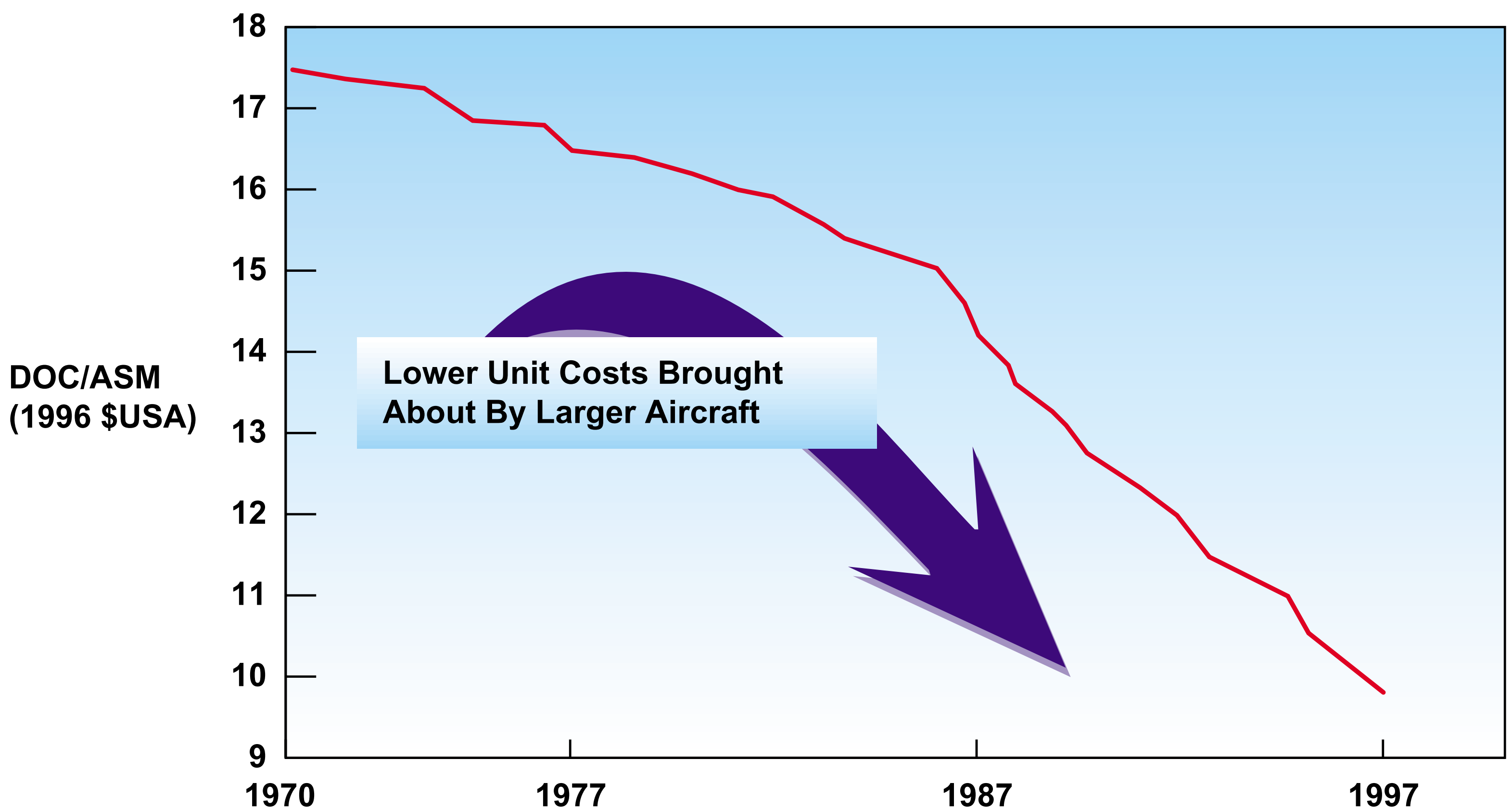

Growth Stimulated As Savings Passed On To Consumer

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Average Aircraft Size

Worldwide Deliveries

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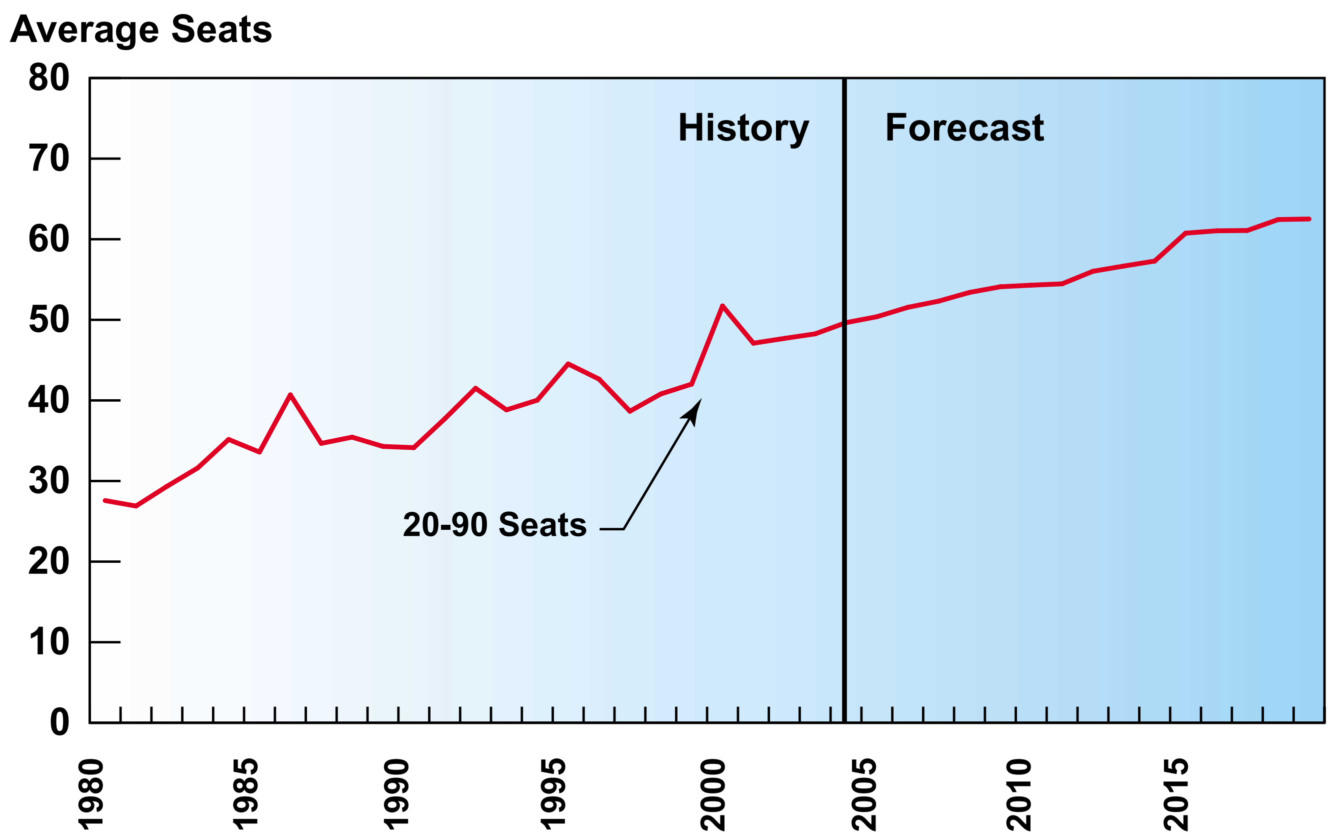

Average Regional Aircraft Size Will Continue To Grow At One Seat Per Year

Worldwide Aircraft Delivery Forecast

All Markets, 15 - 99 Seats

1999 - 2018

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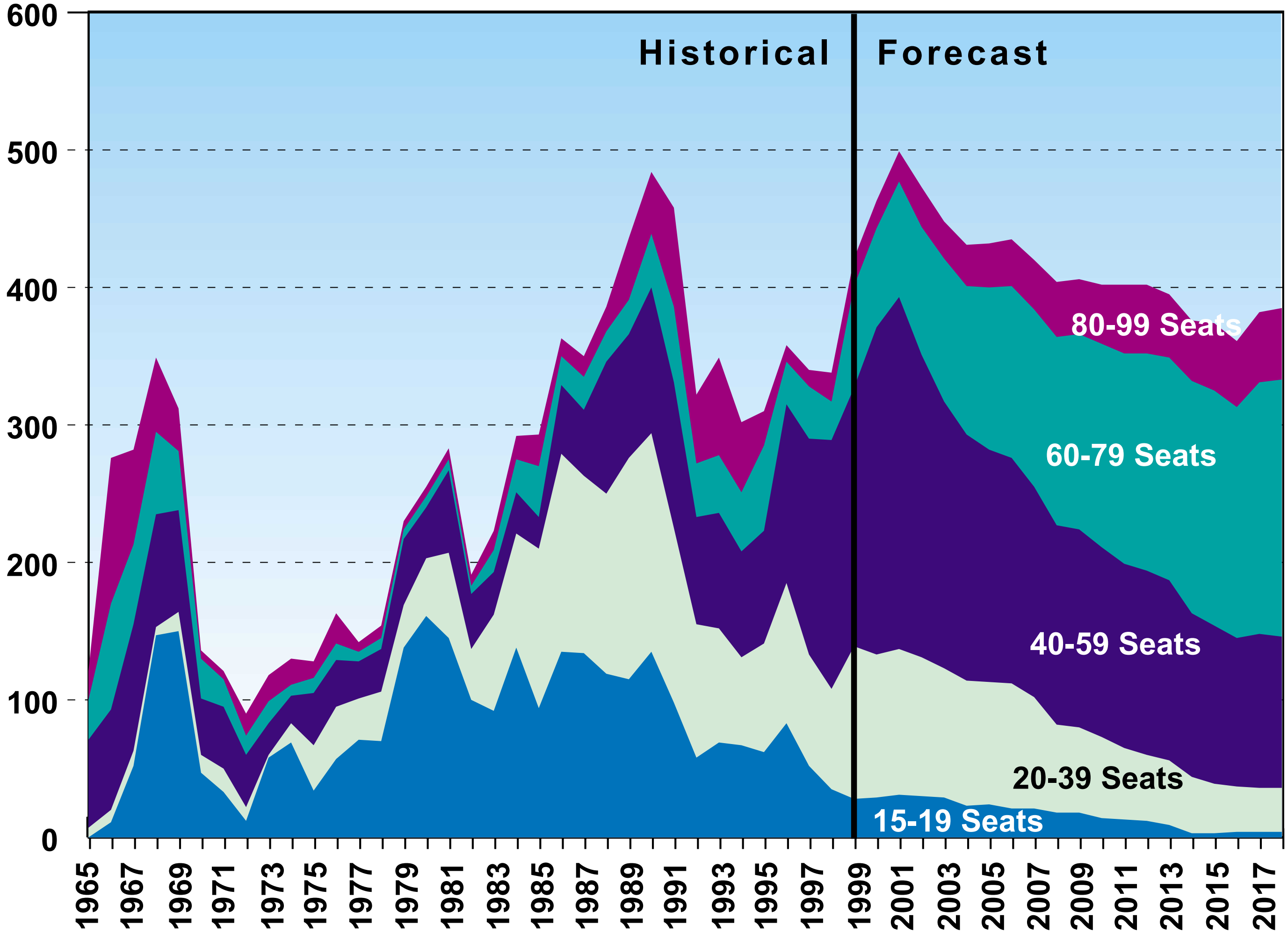

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World Regional Aircraft Deliveries

All Markets, 15 - 99 Seats

1999 - 2018

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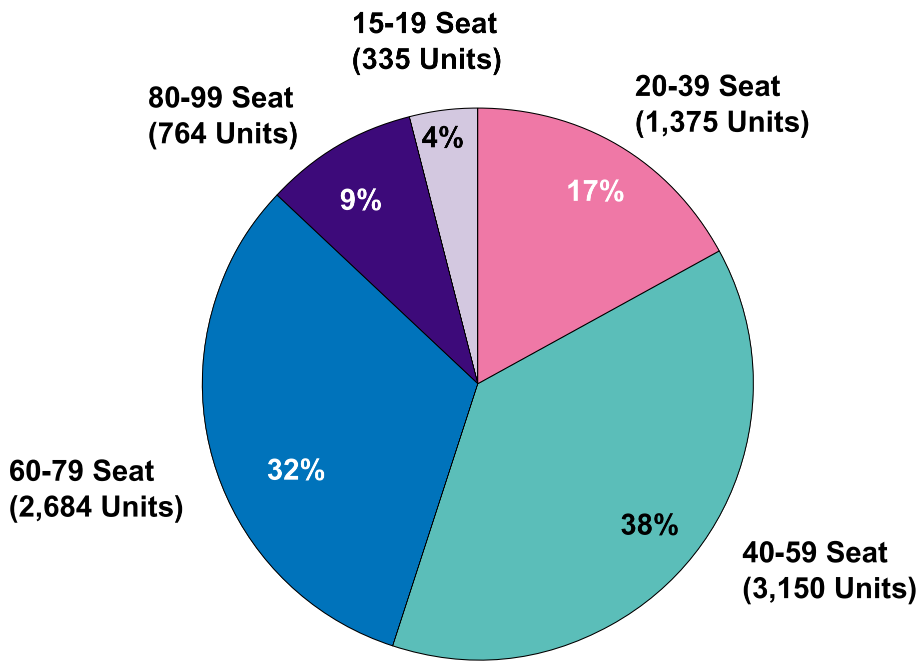
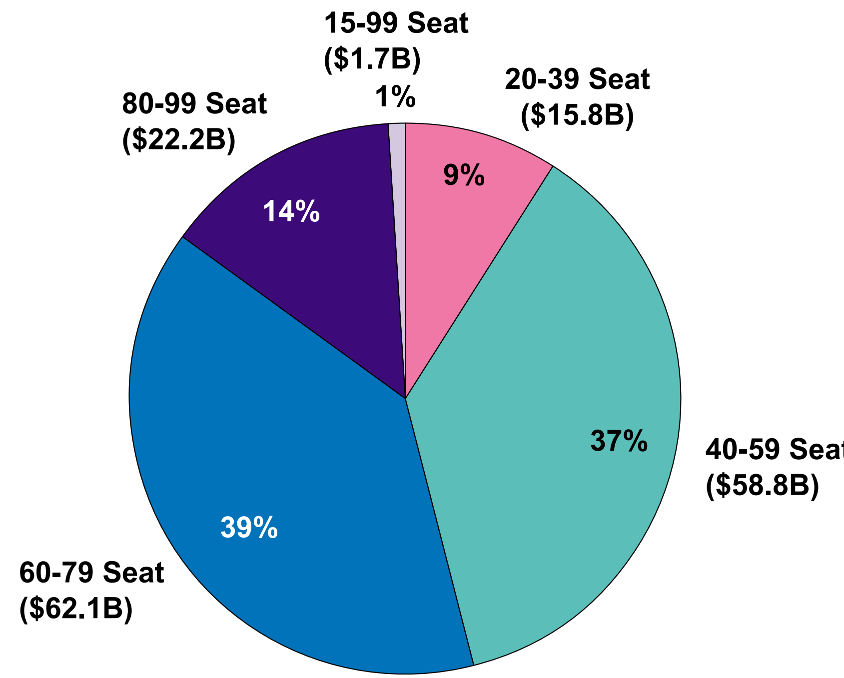
Unit Deliveries



Revenues



Total Deliveries = 8,308 Units

Total Value = 160.6 Billion $US

The Leader in the Regional Aircraft Market

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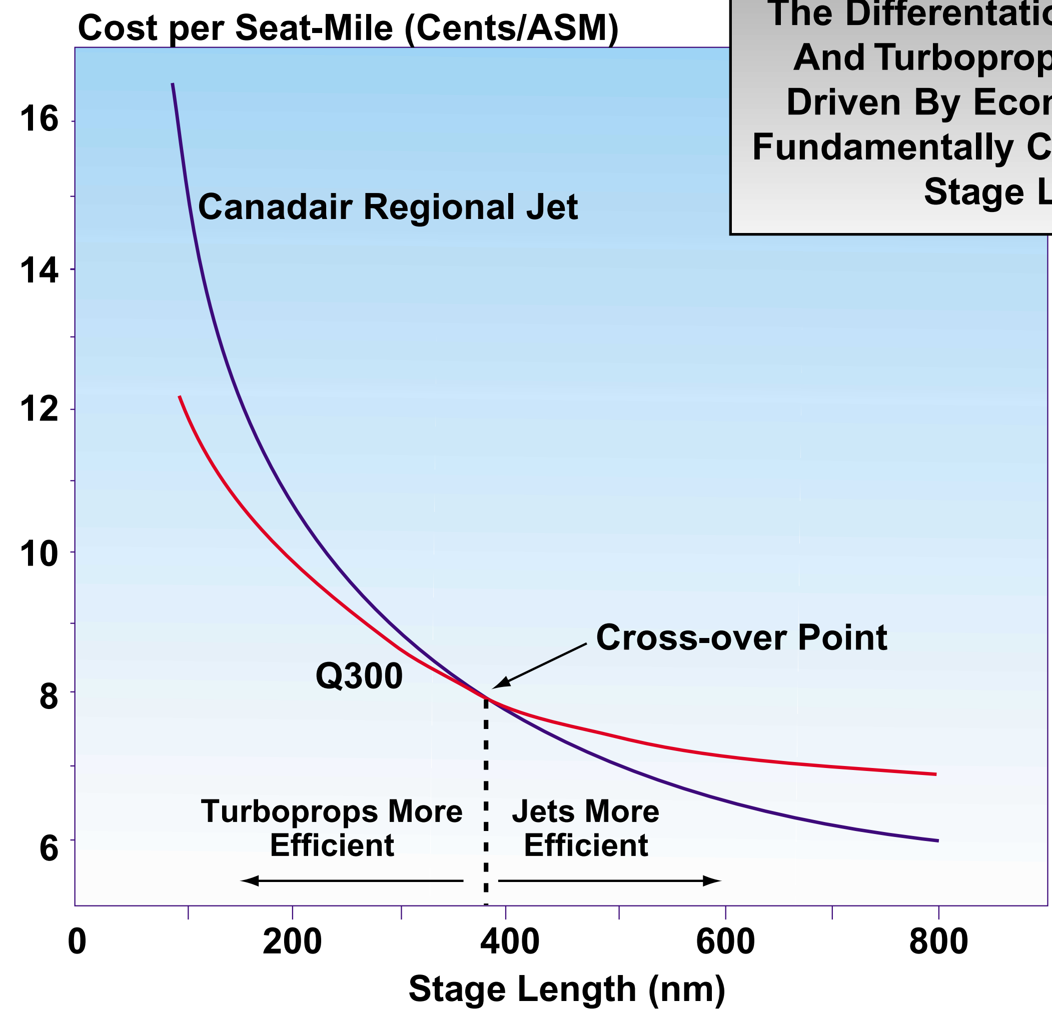
1,867 Orders And Options For Our Current Product Families

Direct Operating Cost Comparison

Q300 and Canadair Regional Jet

The Differentiation Between Jet And Turboprop Segments Is Driven By Economics And Is Fundamentally Characterized By Stage Length



Sector Distances: Dash 8 vs CRJ

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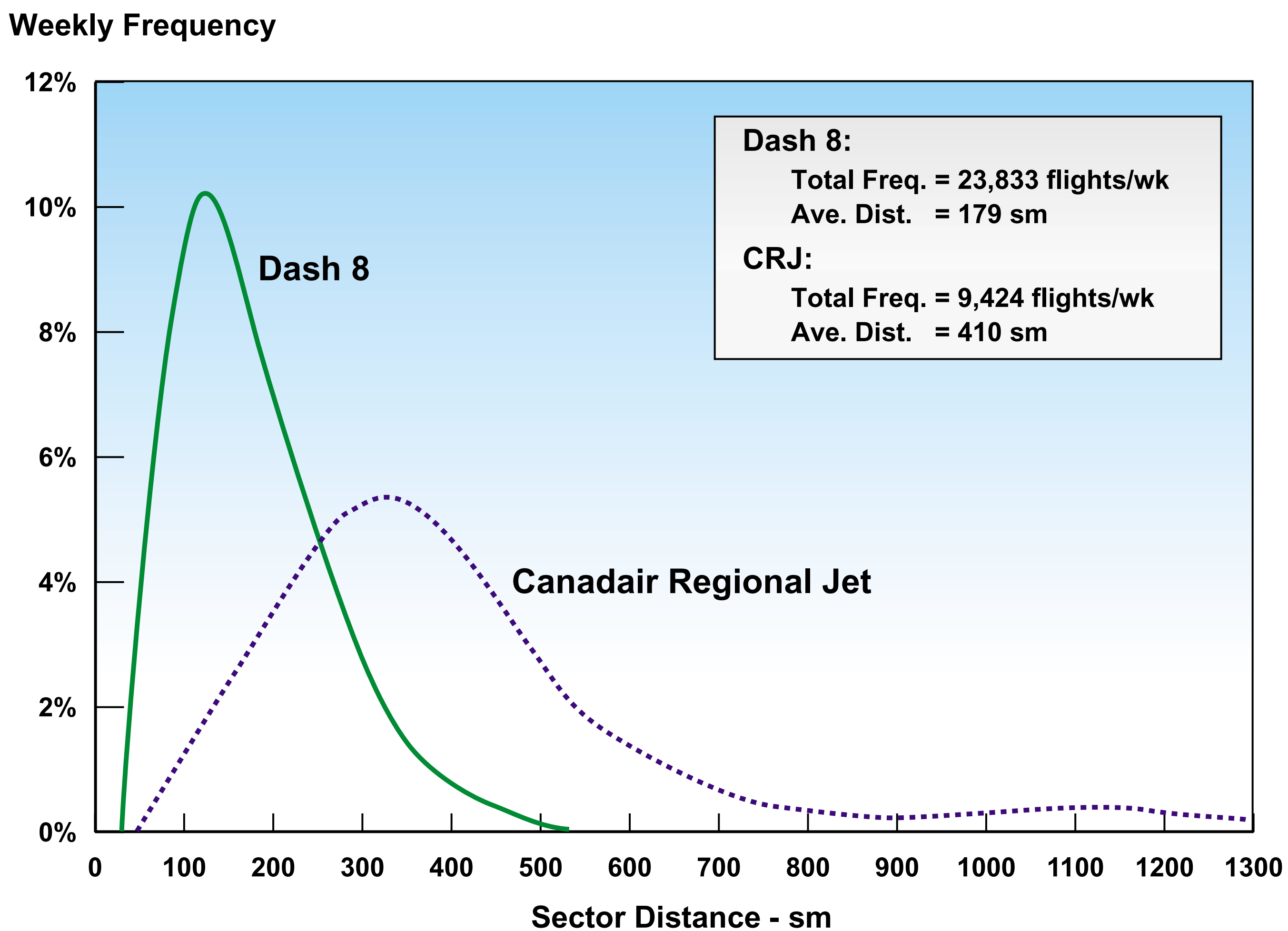

Source: OAGmax Airline Schedules May 1998

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Regional Jet Service in North America

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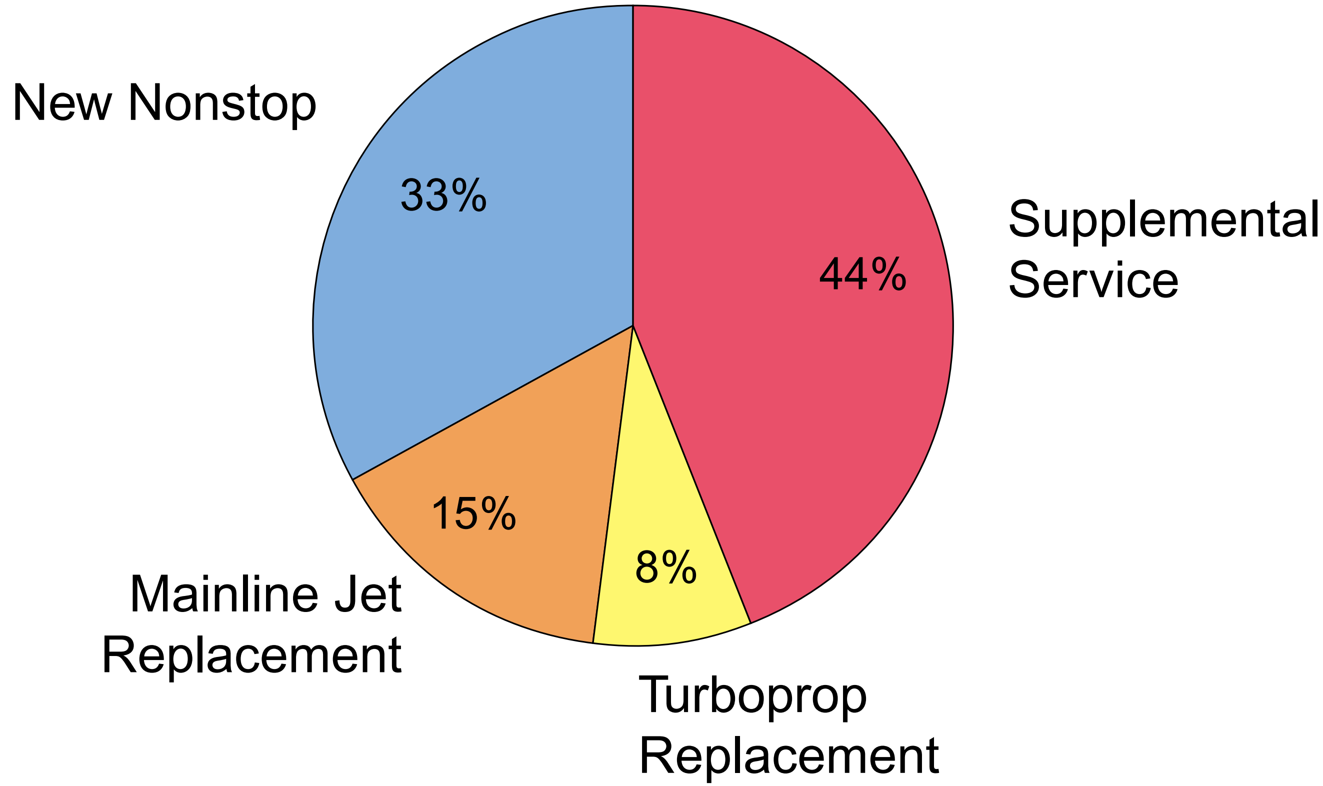

Turboprops Are Used On Short-Haul Routes

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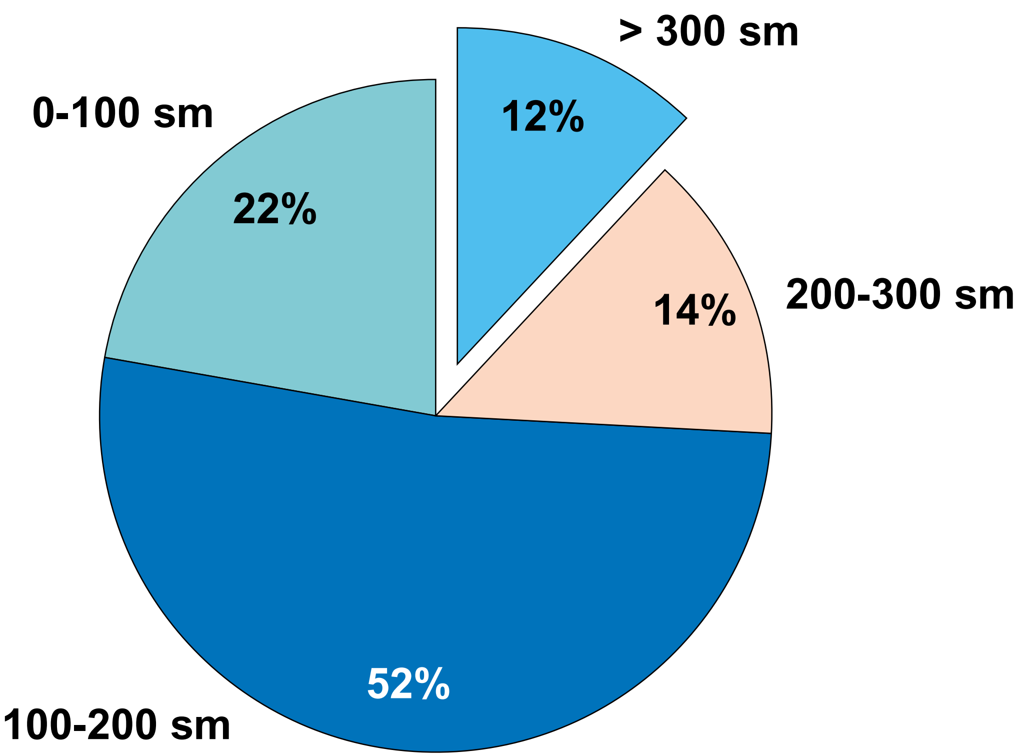

There Are 6,500 Active Turboprops Worldwide; 88% Operating On Stage Lengths Less Than 300 sm

Source: BRAD

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CRJ and Dash 8 Applications

Lufthansa CityLine & Team Lufthansa

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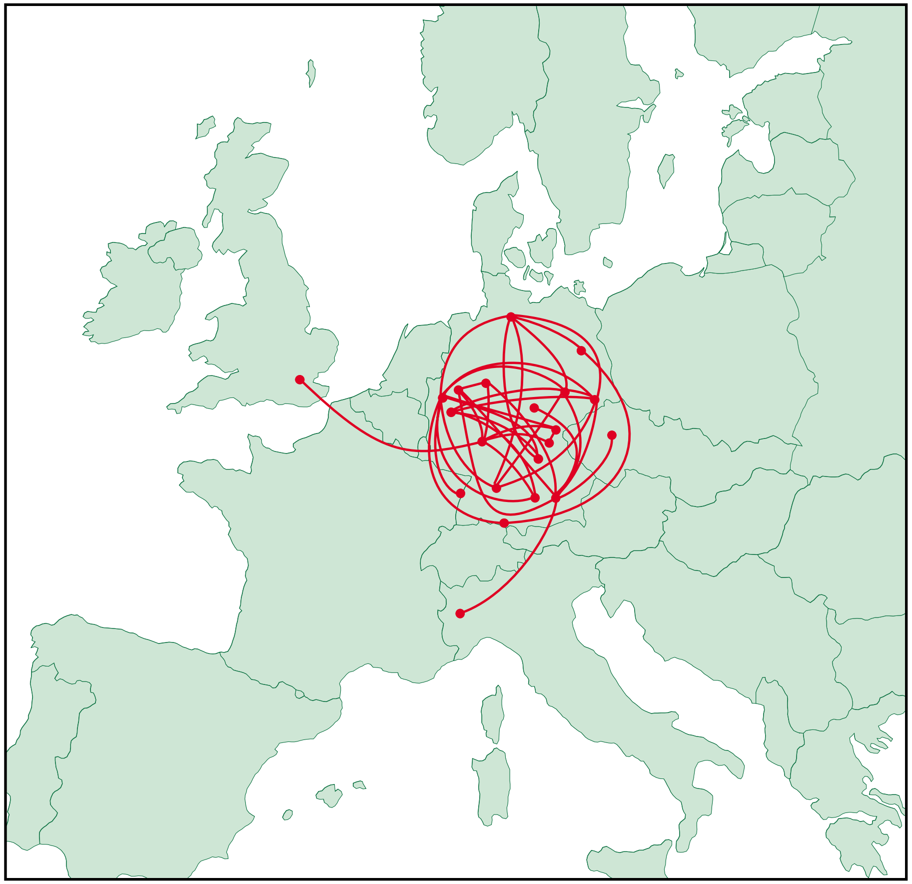
Q100/300



Team Lufthansa

Avg. Stage Length = 198 st. mi.

Canadair Regional Jet

Lufthansa CityLine

Avg. Stage Length = 459 st. mi.

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Air Canada's Dash 8 and CRJ Route Structure

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Dash 8 And CRJ Are The Core Of Air Canada's Domestic And Transborder Service

Horizon Air

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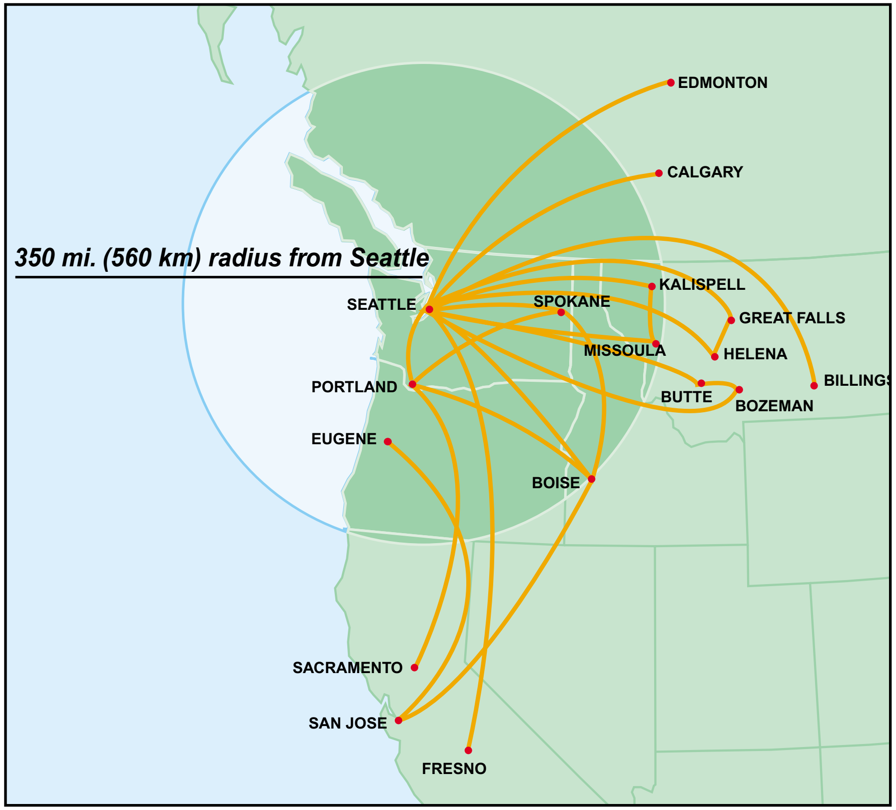
Dash 8 Routes



CRJ Routes

CRJ and Dash 8 Applications
Tyrolean

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Average Stage Length = 367 km

Average Stage Length = 636 km

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U.S. Regional Airlines

Cumulative Departures by Stage Length

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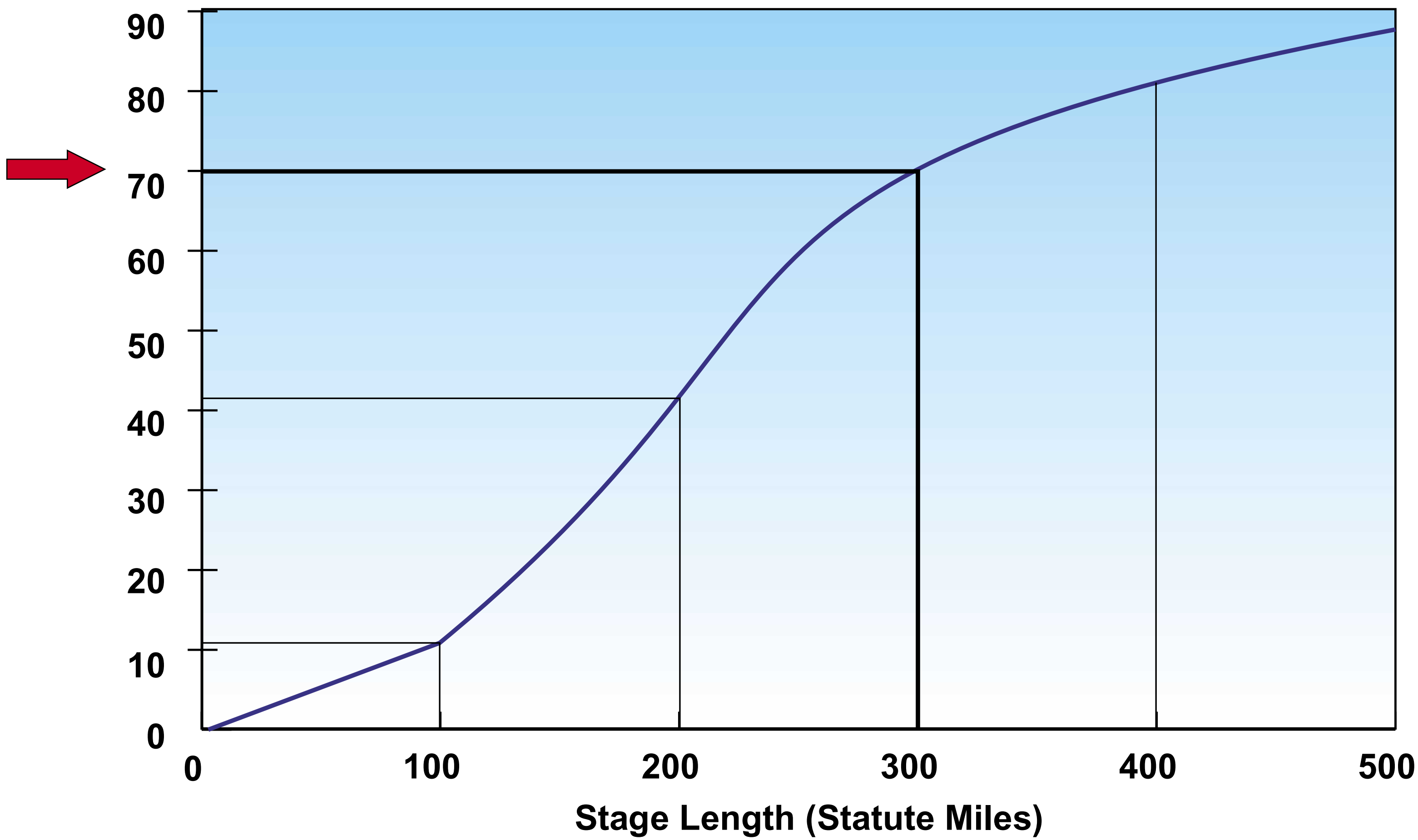

70% Of U.S. Regional Departures On Stage Lengths Less Than 300 Miles

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Key Product Trends for Regional Airlines

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- Growth aircraft requirement
  - 50-70 seats in USA
  - 70-90 seats in Europe
- Operational flexibility
  - Outstanding economics for short-stage
  - Superior jet productivity for long haul
- Product Commonality
  - Significant economic advantage with common fleet
  - Range of aircraft sizes for different market needs

CRJ Family

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ASA

Midway

Atlantic Coast

Atlantic Southeast

Comair

American Eagle

1,183 Orders And Options; 371 In Service

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Canadair Regional Jet Series 700
American Eagle

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American Eagle Orders 25 Firm With 25 Options

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Family Commonality is a Key Advantage

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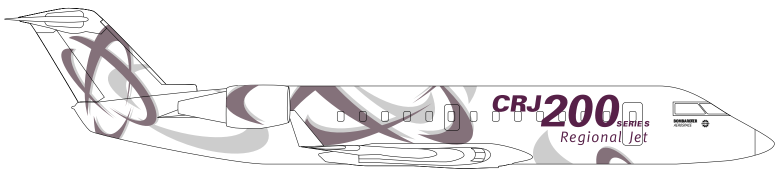
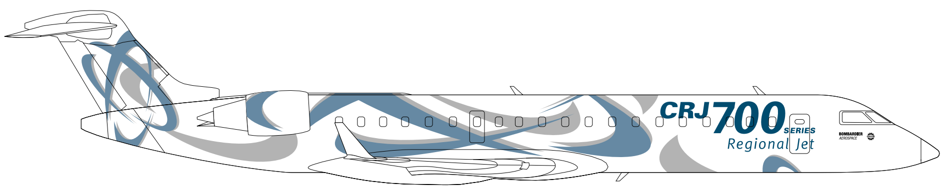


Entry in Service: 1992

CRJ100/200 Series

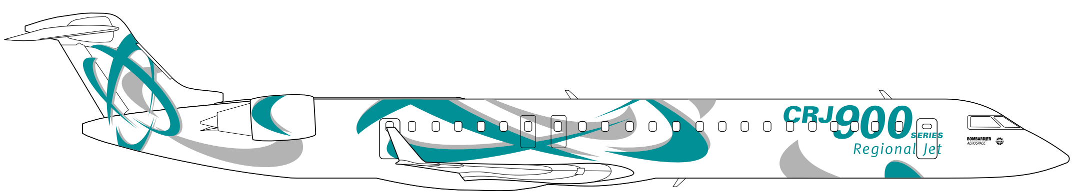
50 Seats



Entry in Service: 2001

CRJ700 Series

70 Seats



Entry in Service: 2002

CRJ900 Series

90 Seats

Q Series Dash Family

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U.S. Airways

Horizon Air

Tyrolean

Air Canada

SAS

Brymon

684 Orders And Options; 539 In Service

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Q Series 400
SAS

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Family Commonality is a Key Advantage

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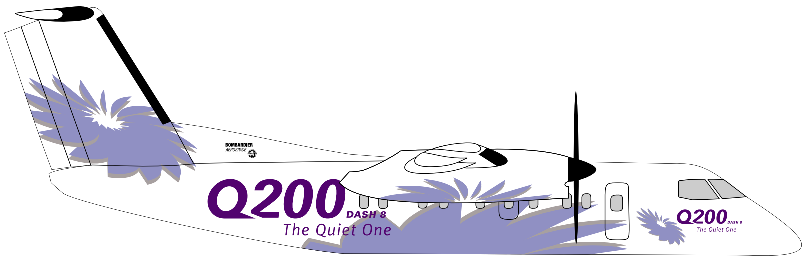
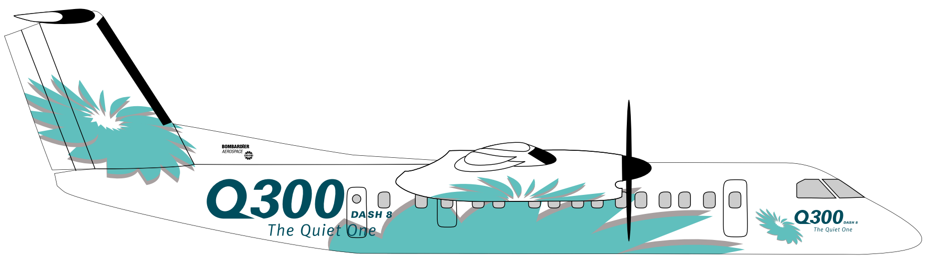


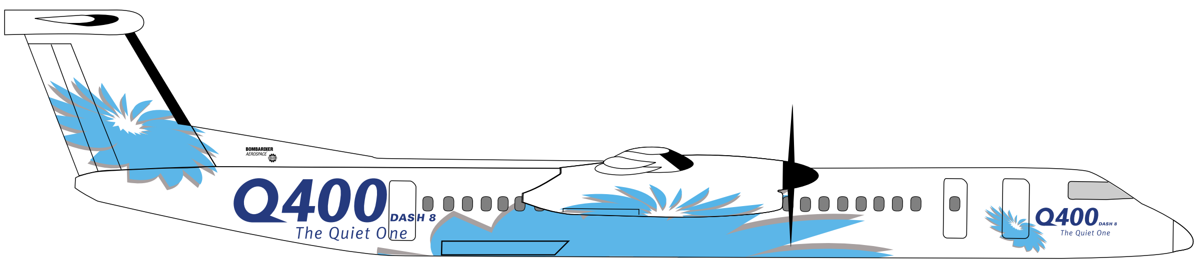
Q200 Series

37 Seats



Q300 Series

50 Seats



Q400 Series

70 Seats

Direct Operating Cost Impacts Due to Growth

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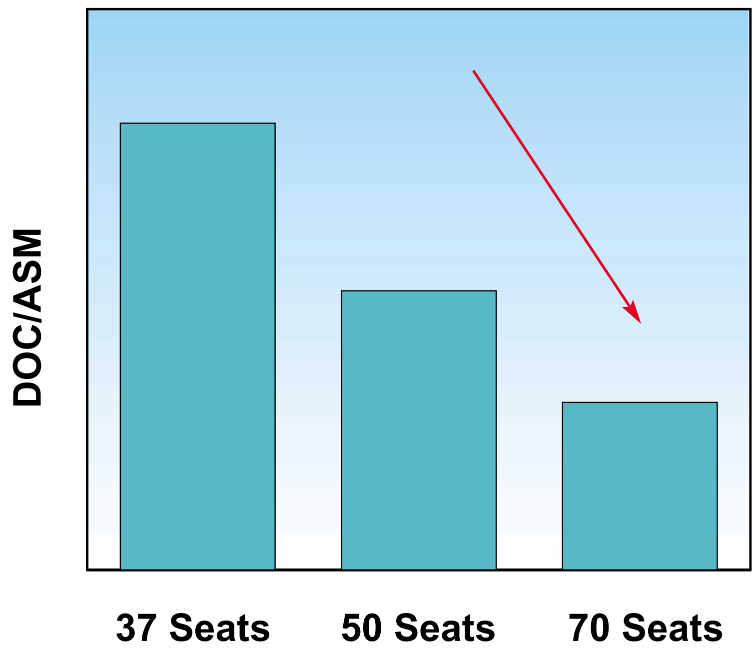
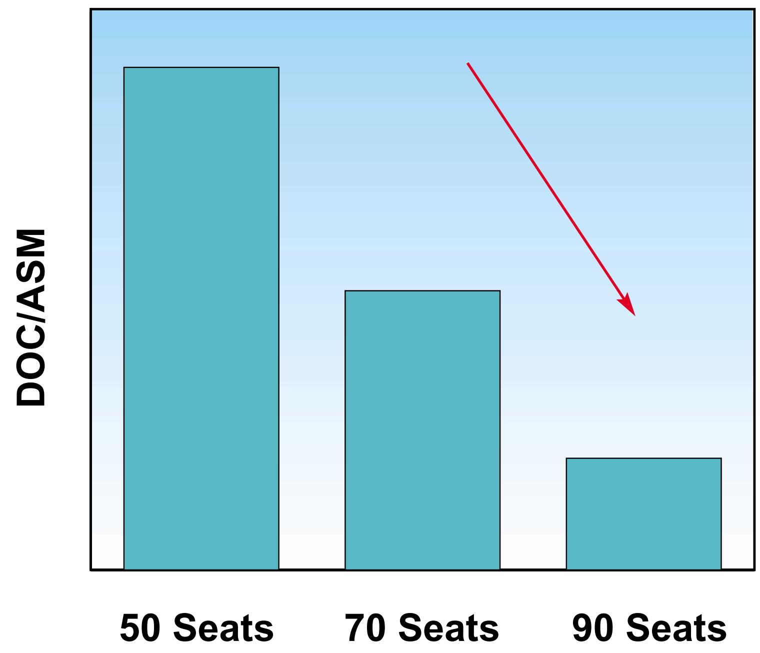
Turboprops



Regional Jets



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Worldwide Aircraft Fleet

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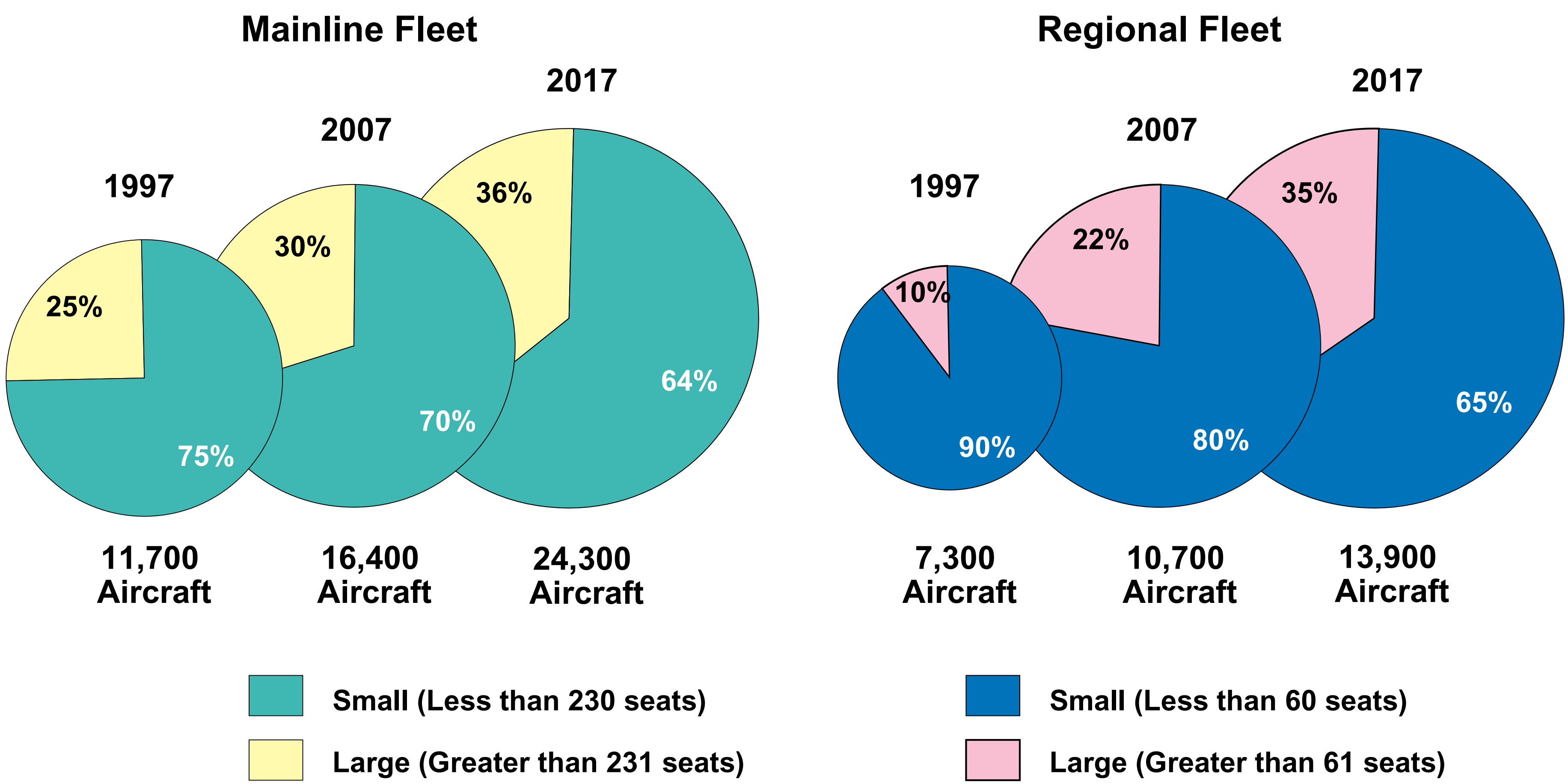

To Keep Up With Mainline Growth;
The Regional Fleet Must Grow In Both Size And Capacity

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World Regional Aircraft Delivery Forecast

All Markets, 20 - 99 Seats

1999 - 2018

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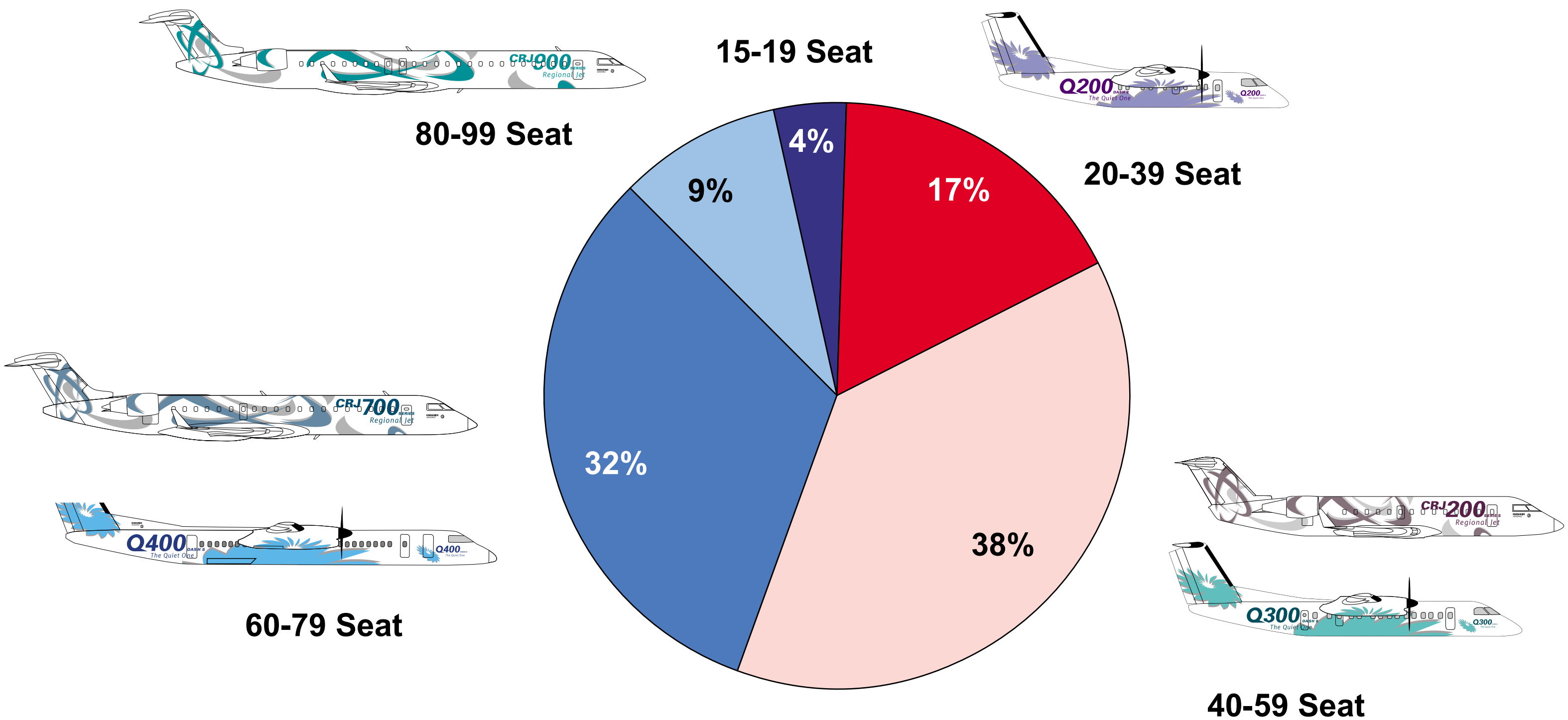

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The Leader in the Regional Aircraft Market

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- Market Leadership
- Broadest Family of Aircraft
- Innovation and New Technology
- Customer Service Excellence

We Make Aircraft. We Build Business

Trends, Issues and Challenges

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Bombardier's influence and strength is based on understanding industry needs and anticipating trends and issues

Q Series

CRJ

Global Express

Learjet

Challenger

Amphibian